

***Muthoot Finance***

**Financial Results Q4 FY 2015**

**March 2015**

**MUTHOOT FINANCE LIMITED**

## SAFE HARBOUR STATEMENT

This presentation may include statements, which may constitute forward-looking statements. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, business development, market position, expenditures, and financial results, are forward looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The company cannot guarantee that these assumptions and expectations are accurate or will be realised. The actual results, performance or achievements, could thus differ materially from those projected in any such forward-looking statements.

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# MUTHOOT FINANCE: DRIVING INCLUSIVE GROWTH

- India's largest gold financing company (by loan portfolio)
- Trusted pan-India brand in the gold loans sector; revolutionised India's gold banking
- Our intervention has empowered millions of people across the social pyramid

## Multiple service offerings

### CORE SERVICE



Gold Loans

### OTHER SERVICES



Money Transfer Services



Collection Services



White Label ATM



Wind Mill Power Generation



National Pension Scheme



**26**

States/Union territory presence

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**131 tonnes**

Gold jewellery kept as security

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**4,200+**

Pan-India branches

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**500,000+**

Retail investor base across debenture and subordinated debt portfolio

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**22,000+**

Team members

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**80,000+**

Customers served every day

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**₹ 234,085 mn**

Retail Loan Assets Under Management

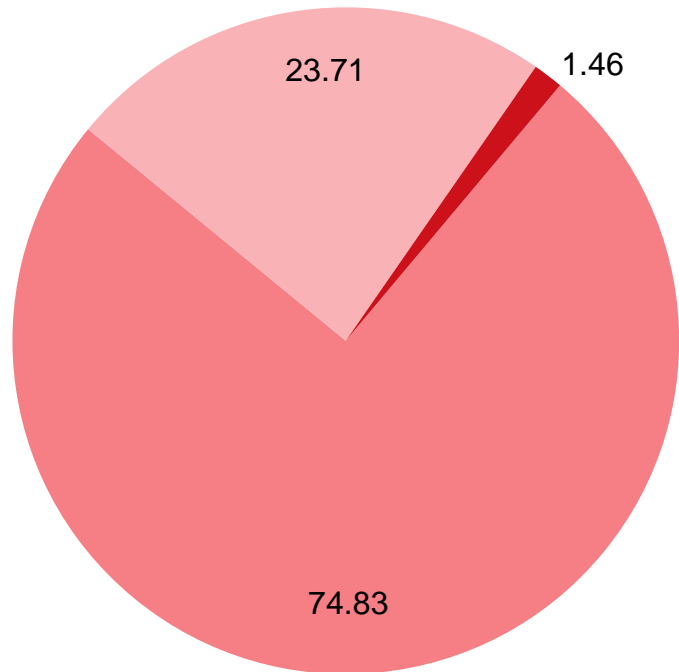
*(As of March 31, 2015)*

# SHAREHOLDING PATTERN



Muthoot Finance

**Strong promoter interest in business with 75% stake**



(%) Shareholding as on March 31, 2015

- Promoters & Relatives
- FII, FC, MF & Others
- Public

**NSE Ticker**

MUTHOOTFIN

**BSE Ticker**

533398

**Market Capitalisation**  
(as on March 31, 2015)

₹ 82,399 million

# DIVIDEND PAYOUT



Muthoot Finance

## Delivering consistent returns to stakeholders

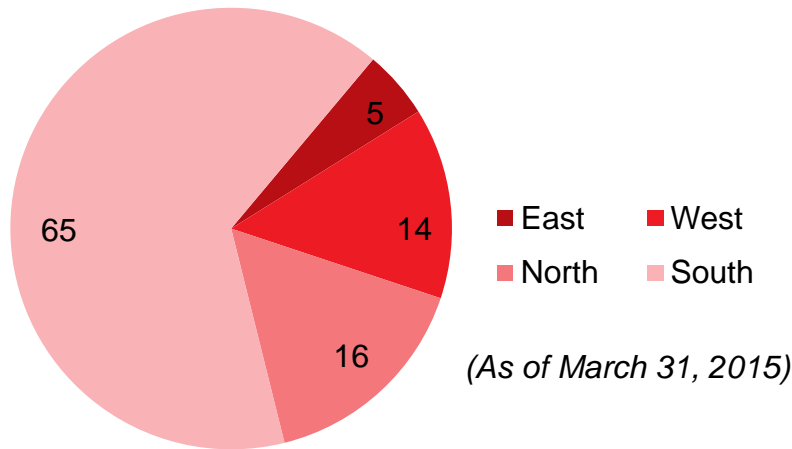
(%)

	<b>FY 2015</b>	<b>FY 2014</b>	<b>FY 2013</b>	<b>FY 2012</b>
Dividend (%)*	60	60	45	40
First Interim Dividend (%)	40	30	-	-
Second Interim Dividend (%)		20	-	-
Final Dividend (%)	20	10	45	40
Dividend Payout Ratio (%)	35.36	28.59	16.65	16.47

\* On face value of ₹ 10 per equity share

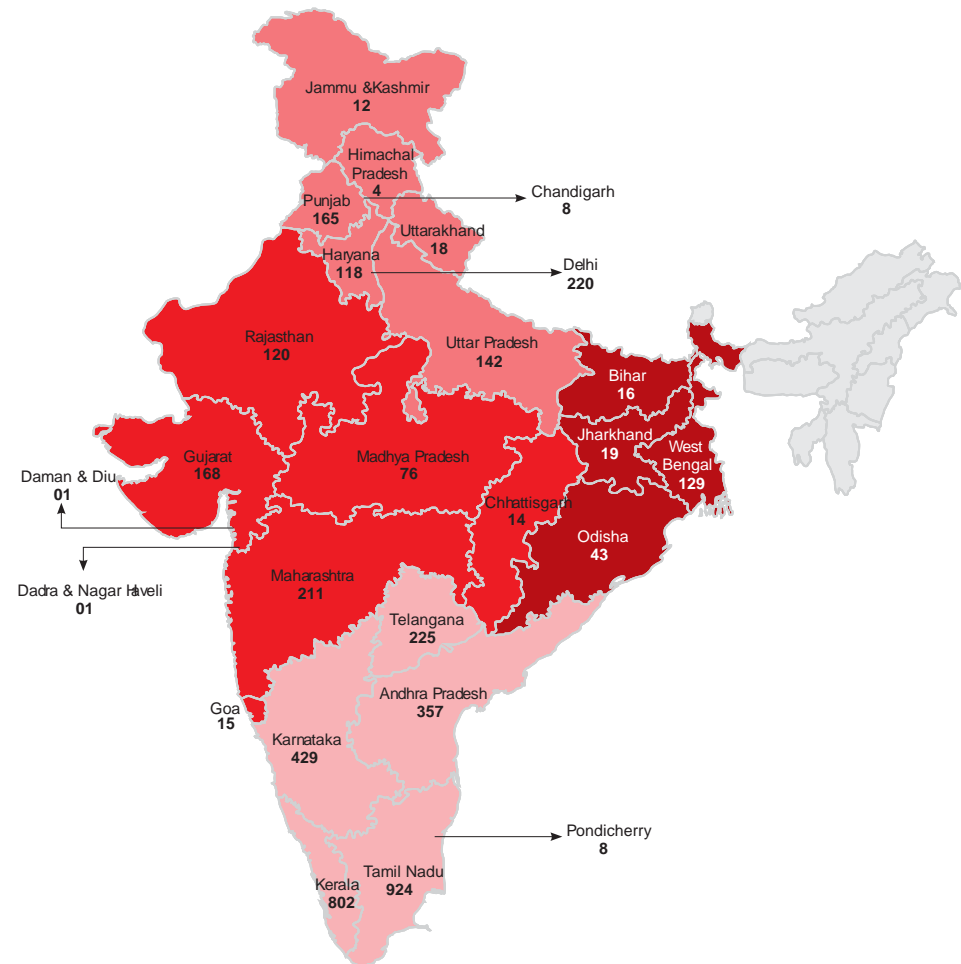
## A strong presence of 4245 branches across India

(%) Branches region wise



- Rural India accounts for about 65% of total gold stock in the country
- Large portion of the rural population has limited credit access
- Catering to under-served rural and semi-urban markets through strong presence

State wise Branch Network



## Strong Capital Base

### Networth

	<b>Mar-15</b>	<b>Dec-14</b>	<b>Sep-14</b>	<b>Jun-14</b>	<b>Mar-14</b>	<b>Growth</b>	<b>Growth</b>
	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	YoY (%)	QoQ (%)
Share Capital	3,980	3,971	3,971	3,971	3,717	7	0
Reserves & Surplus	46,855	46,116	44,531	44,648	38,929	20	2
<b>Total</b>	<b>50,835</b>	<b>50,087</b>	<b>48,502</b>	<b>48,619</b>	<b>42,646</b>	<b>19</b>	<b>1</b>



## Core focus continues to be gold loan

### Gross retail loan assets under management

	Mar-15	Dec-14	Sep-14	Jun-14	Mar-14	Growth	Growth
	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	YoY (%)	QoQ (%)
Gross retail loan assets under management	234,085	220,882	218,020	214,636	218,615	7	6

### Break-up of Gross Retail Loan Assets under management

Gold Loans under management	233,499	220,117	216,971	213,054	216,179	8	6
Other loans	586	765	1,049	1,582	2,436	(76)	(23)

# LIABILITIES



Muthoot Finance

## Stable sources of funding

	<b>Mar-15</b>	<b>Dec-14</b>	<b>Sep-14</b>	<b>Jun-14</b>	<b>Mar-14</b>	<b>Growth</b>	<b>Growth</b>
	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	YoY (%)	QoQ (%)
Secured Non-Convertible Debentures (Muthoot Gold Bonds)	59,839	64,375	69,392	76,162	81,580	(27)	(7)
Secured Non-Convertible Debentures- Listed	30,656	32,569	30,832	25,068	24,735	24	(6)
Borrowings from Banks/FIs	72,418	60,299	63,036	54,596	58,033	25	20
Subordinated Debt	24,309	24,815	25,240	25,388	25,367	(4)	(2)
Subordinated Debt -Listed	2,229	2,229	1,842	1,174	980	127	0
Commercial Paper	0	4,005	90	90	90	(100)	(100)
Other Loans	5,196	5,017	3,920	3,793	4,054	28	4
<b>Total</b>	<b>194,647</b>	<b>193,309</b>	<b>194,352</b>	<b>186,271</b>	<b>194,839</b>	<b>0</b>	<b>1</b>

# REVENUE & PROFIT



Muthoot Finance

## Profit & Loss Statement

(₹ in million)

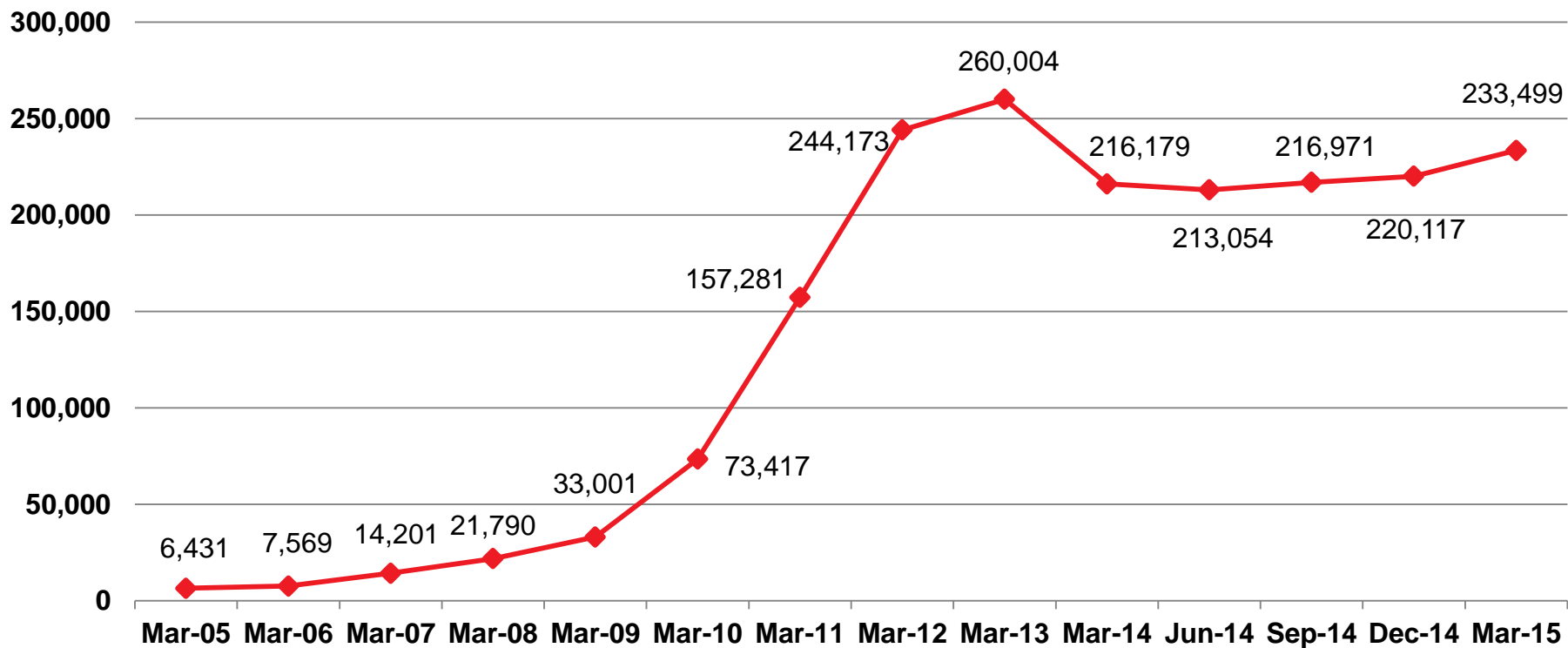
	FY 2015	FY 2014	YoY Growth(%)	Q4 FY 2015	Q3 FY 2015	Q2 FY 2015	Q1 FY 2015
<b>INCOME</b>							
Interest Income	42,703	49,077	(13)	10,872	10,541	10,488	10,802
Other Income	543	397	37	147	152	127	118
<b>Total</b>	<b>43,246</b>	<b>49,474</b>	<b>(13)</b>	<b>11,019</b>	<b>10,693</b>	<b>10,615</b>	<b>10,920</b>
<b>EXPENDITURE</b>							
Interest Expense	21,064	26,260	(20)	5,332	5,292	5,085	5,354
Personnel Expenses	6,304	5,917	7	1,577	1,627	1,576	1,523
Administrative & Other expenses	4,210	4,259	(1)	1,066	1,102	1,059	985
Provisions & Write Offs	371	438	(15)	216	35	40	80
Directors Remuneration	192	192	0	48	48	48	48
Depreciation	826	472	75	206	212	208	200
<b>Total</b>	<b>32,967</b>	<b>37,538</b>	<b>(12)</b>	<b>8,445</b>	<b>8,316</b>	<b>8,016</b>	<b>8,190</b>
<b>PROFIT</b>							
Profit Before Tax	10,278	11,936	(14)	2,573	2,376	2,600	2,730
Profit After Tax	6,705	7,801	(14)	1,652	1,544	1,707	1,802



## Gaining scale over the years

### Gold Loan Assets Under Management

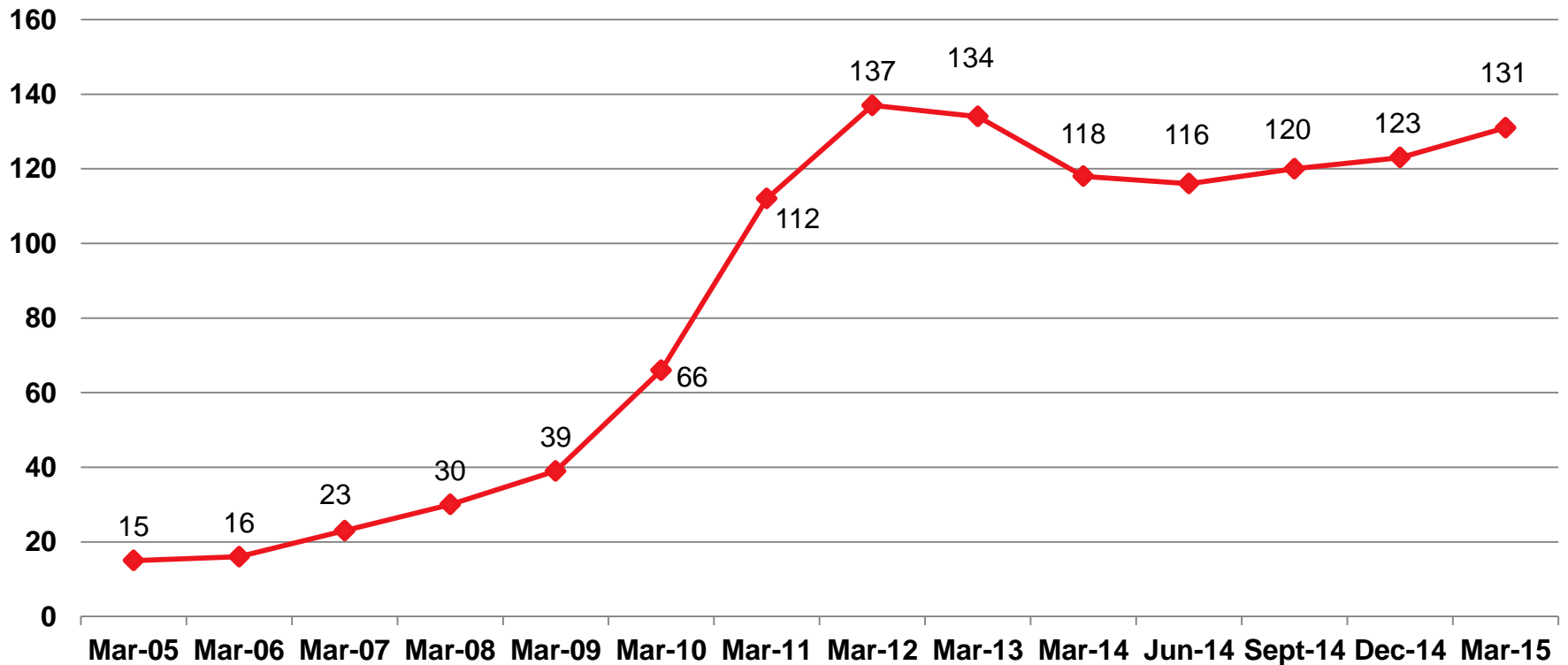
(₹ in million)



## Carrying the trust of millions of our customers

### Gold jewellery kept as security

(In tonnes)



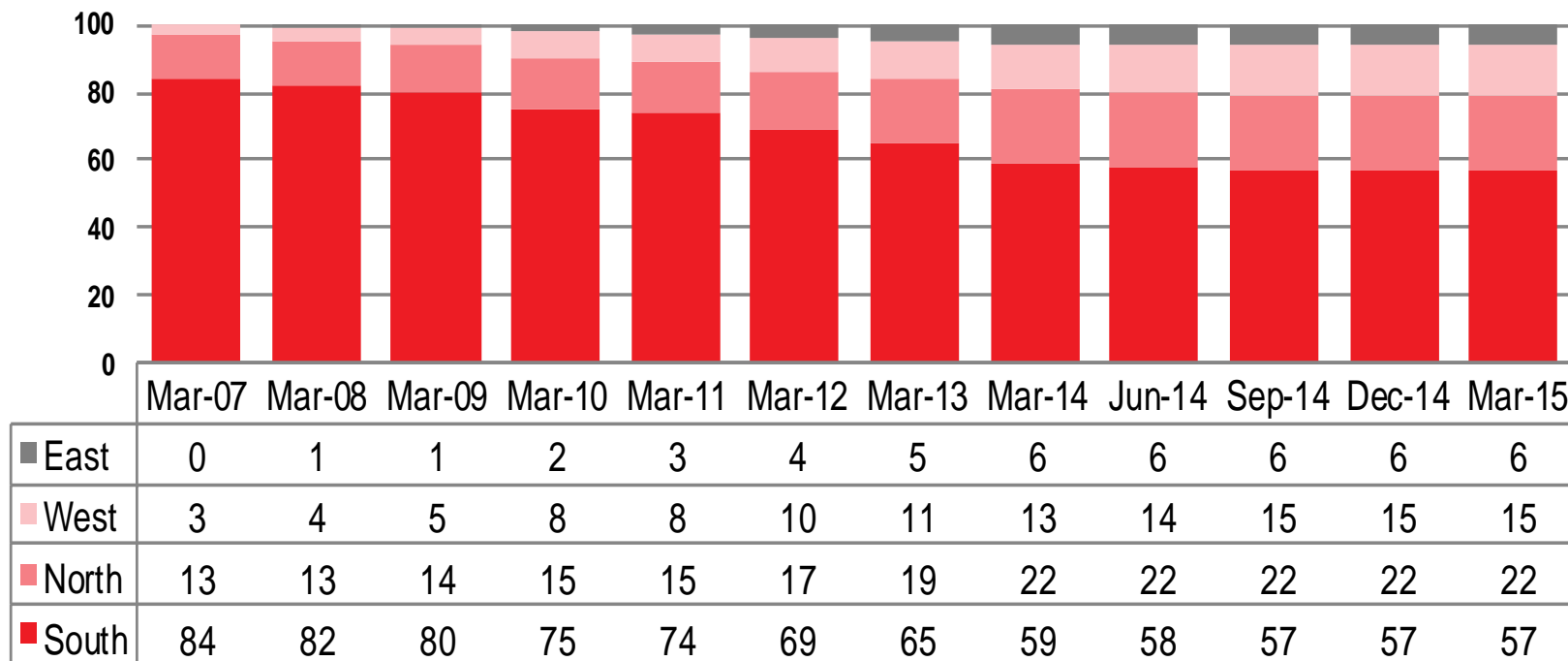
# GEOGRAPHICAL SPREAD OF GOLD LOAN PORTFOLIO



Muthoot Finance

## Diversified gold loan portfolio across India

(%)



### Gold Loan Assets Under Management

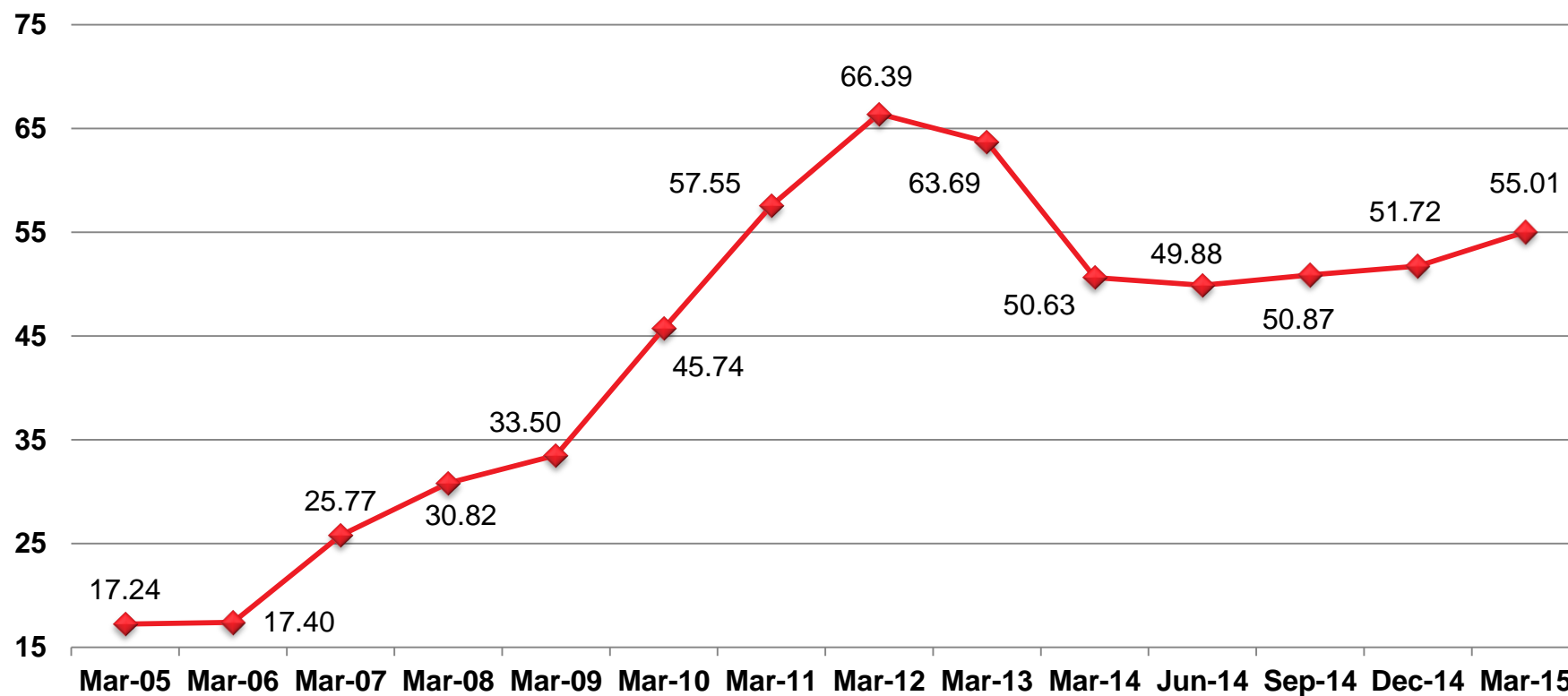
(₹ in million)

Mar-07	Mar-08	Mar-09	Mar-10	Mar-11	Mar-12	Mar-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15
14,201	21,790	33,001	73,417	157,281	244,173	260,004	216,179	213,054	216,971	220,117	233,499

## Widening presence with increasing gold loan business per branch

Average Gold Loan Per Branch

(₹ in million)



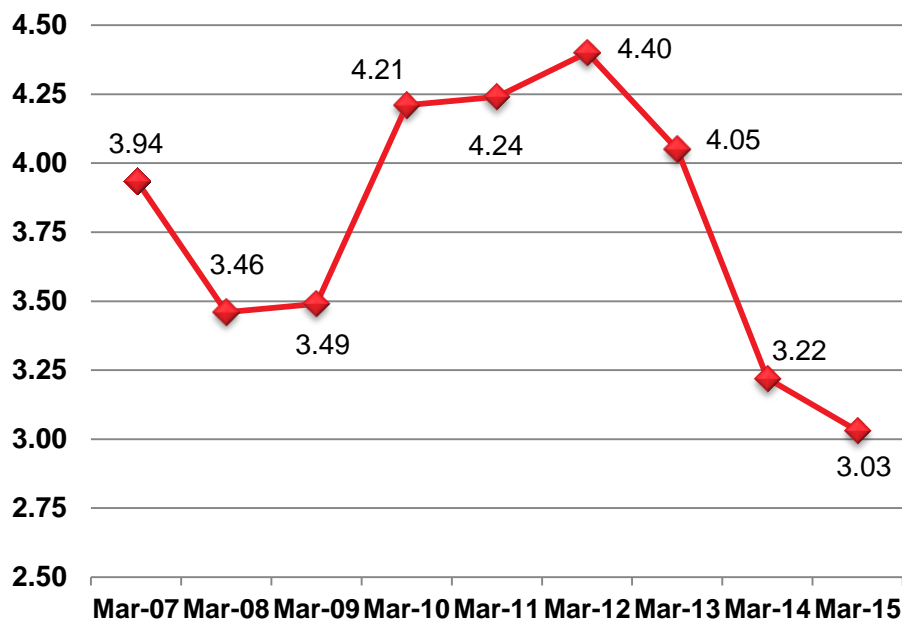


# RETURN ON AVERAGE RETAIL LOAN ASSET

## Attractive returns over the years

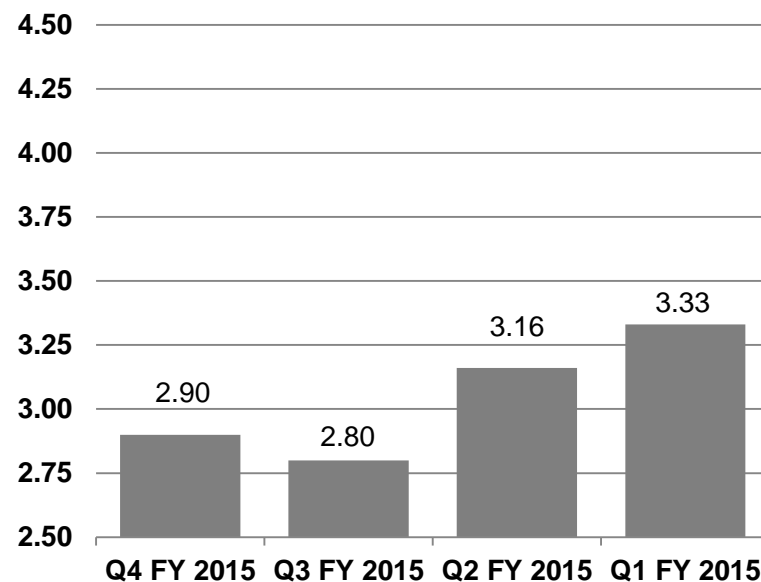
Yearly

(%)



Quarterly

(%)







# NON-PERFORMING ASSETS & BAD DEBTS

## Non-Performing Assets

(₹ in million)

	Mar-15	Dec-14	Sep-14	Jun-14	Mar-14
Gross Non-Performing Assets	5,117	4,103	4,549	3,968	4,160
Provision For Non-Performing Assets	725	725	725	725	725
Net Non-Performing Assets	4,392	3,378	3,824	3,243	3,435
% of Gross NPA on Gross Retail Loans	2.19	1.86	2.09	1.85	1.90
% of Net NPA on Gross Retail Loans	1.88	1.53	1.75	1.51	1.57

Generally NPA will not result into bad debts as collateral can be auctioned

## Bad Debts

(₹ in million)

	FY 2015	FY 2014	Q4 FY 2015	Q3 FY 2015	Q2 FY 2015	Q1 FY 2015
Bad Debts Written Off	192	224	69	20	23	80

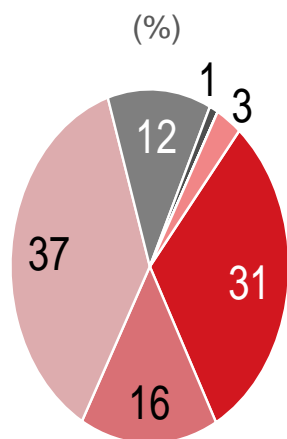
Real loss to business due to various operational risks. However loss is quite negligible compared to the profits

## Standard Asset Provision

	Mar-15	Dec-14	Sep-14	Jun-14	Mar-14
Provision (₹ in million)	1,145	997	982	965	965
% of Provision to Standard Assets	0.50	0.46	0.46	0.46	0.45

Maintaining a higher standard asset provision of 0.50% as against the regulatory requirement of 0.25%

## Maintaining a diversified funding profile



- Secured Non-Convertible Debentures (Muthoot Gold Bonds) - ₹ 59,839 mn (31%)
- Secured Non-Convertible Debentures - Listed - ₹ 30,656 mn (16%)
- Borrowings from Banks/FIs - ₹ 72,418 mn (37%)
- Subordinated Debt - ₹ 24,309 mn (12%)
- Subordinated Debt - Listed - ₹ 2,229 mn (1%)
- Commercial Paper - ₹ 0 mn (0%)
- Other Loans - ₹ 5,196 mn (3%)

(As of March 31, 2015)

## Highest Rating among gold loan companies

### Short-term Rating

	Amt of rating (₹ in million)	Rating	Indicates
<b>COMMERCIAL PAPER</b>			
CRISIL	40,000	CRISIL A1+	Degree of safety with regard to timely payment of interest & principal on the instrument is very strong
ICRA	2,000	ICRA A1+	Lowest credit risk & Stronger credit quality
<b>BANK LOANS</b>			
ICRA*	82,220	ICRA A1+	Lowest credit risk & Stronger credit quality

### Long-term Rating

	Amt of rating (₹ in million)	Rating	Indicates
<b>SUBORDINATED DEBT</b>			
CRISIL	1,000	CRISIL AA-(Stable)	High Degree of safety with regard to timely servicing of financial obligations and carry very low credit risk
ICRA	1,000	ICRA AA-(Stable)	High Degree of safety with regard to timely servicing of financial obligations and carry very low credit risk
<b>NON CONVERTIBLE DEBENTURE</b>			
CRISIL	5,000	CRISIL AA-(Stable)	High Degree of safety with regard to timely servicing of financial obligations and carry very low credit risk
ICRA	2,000	ICRA AA-(Stable)	High Degree of safety with regard to timely servicing of financial obligations and carry very low credit risk
<b>BANK LOANS</b>			
ICRA*	76,500	ICRA AA-(Stable)	High Degree of safety with regard to timely servicing of financial obligations and carry very low credit risk

\*Within the overall rating of ₹11,1340 millions

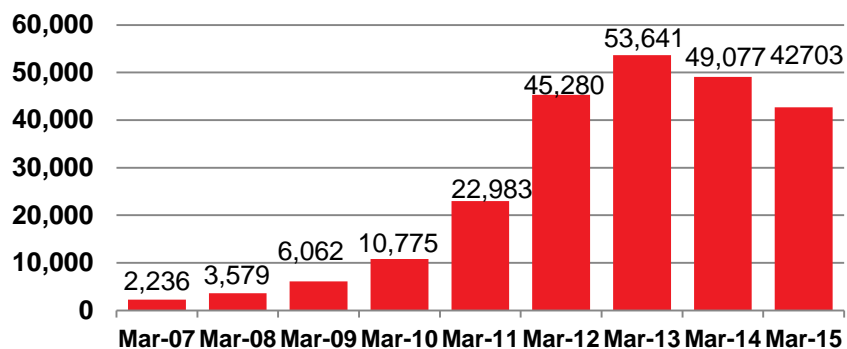


# BREAK-UP OF GROSS INCOME

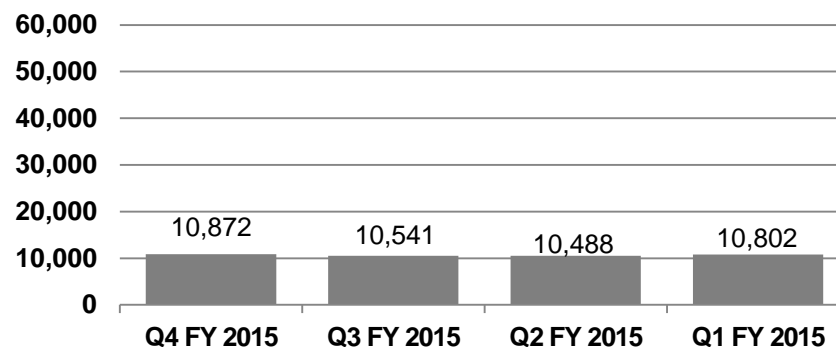
## Interest Income

(₹ in million)

### Yearly



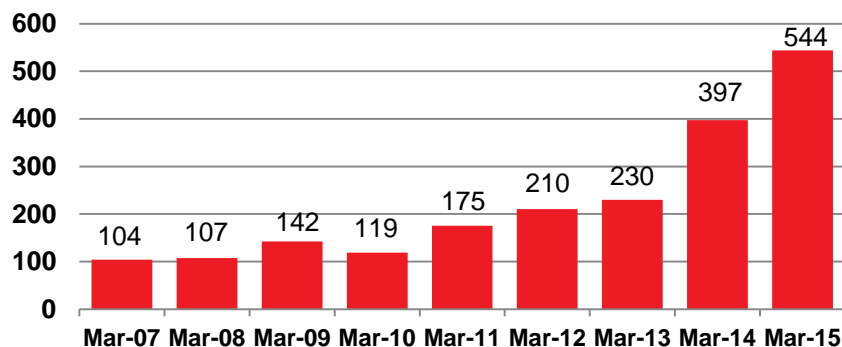
### Quarterly



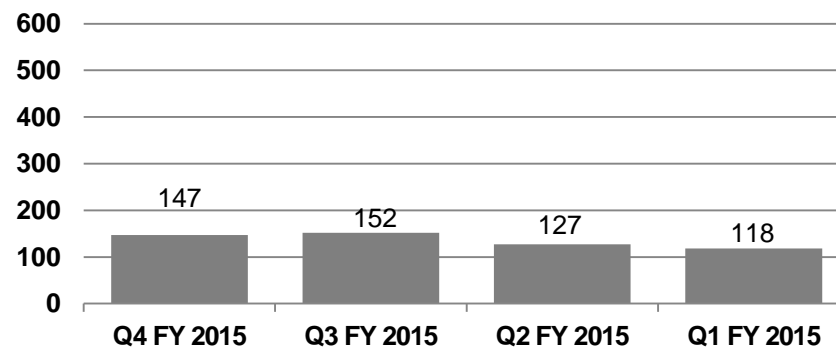
## Other Income

(₹ in million)

### Yearly



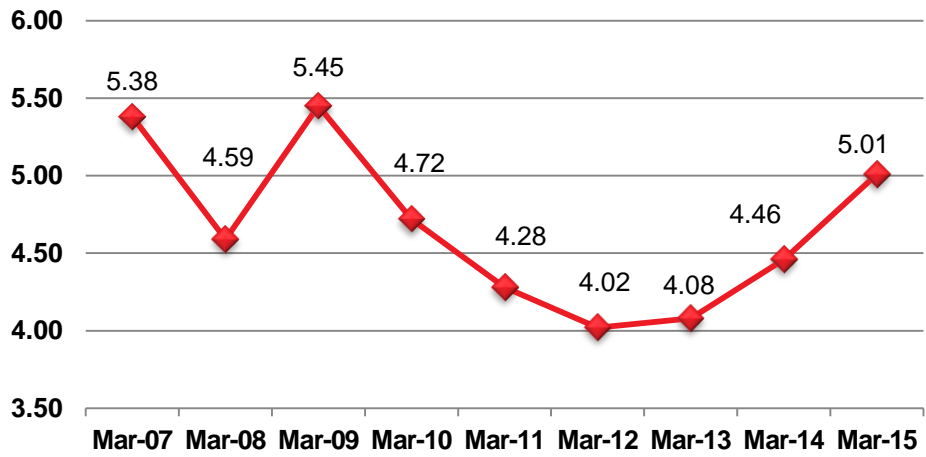
### Quarterly



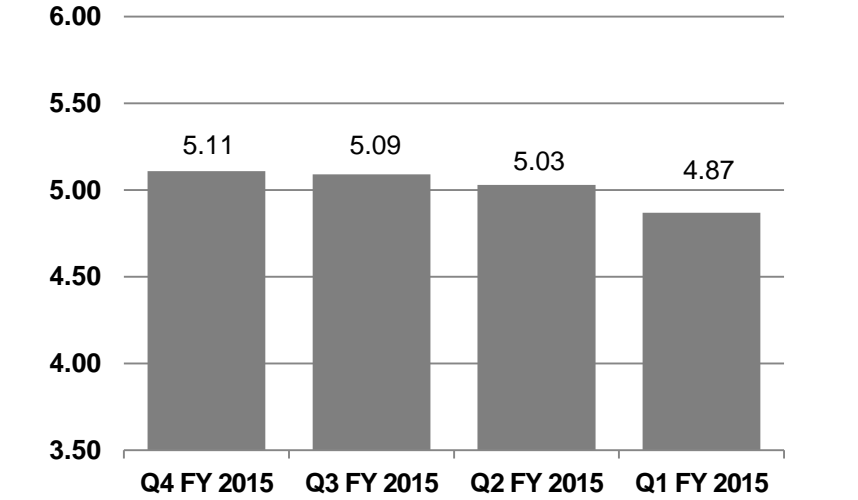
# OPERATING EXPENSES TO AVERAGE RETAIL LOANS

## Operational efficiency over the years

Yearly (%)



Quarterly (%)





# BREAK-UP OF OPERATING EXPENSES

	Yearly							Quarterly			
	₹ in Millions)							₹ in Million)			
	Mar-15	Mar-14	Mar-13	Mar-12	Mar-11	Mar-10	Mar-09	Q4 FY 2015	Q3 FY 2015	Q2 FY 2015	Q1 FY 2015
Personnel Expenses	6,304	5,917	5,453	4,145	2,209	1,169	677	1,577	1,627	1,577	1,523
Rent	1,650	1,542	1,309	1,042	603	290	131	424	412	412	402
Advertisement	651	702	579	866	647	331	208	157	197	144	153
Postage, Telegram and Telephone	371	364	243	184	115	72	27	94	85	101	91
Traveling and Conveyance	212	190	175	168	114	67	42	50	55	57	50
Printing and Stationery	160	185	168	155	111	69	44	48	39	40	33
Repairs and Maintenance	281	272	256	341	211	96	62	92	66	63	60
Legal and Professional Charges	189	216	86	60	114	34	16	27	23	74	65
Business Promotion Expense	140	279	332	267	119	45	25	55	54	16	15
Directors Remuneration	192	192	192	192	192	192	121	48	48	48	48
Depreciation and Ammortisation Expenses	841	475	454	329	180	149	99	209	217	212	203
Others	733	731	550	380	229	165	165	184	186	170	193
Provision For Standard & NPA Assets	180	214	765	351	323	21	7	148	15	17	0
<b>Total</b>	<b>11,904</b>	<b>11,279</b>	<b>10,562</b>	<b>8,480</b>	<b>5,165</b>	<b>2,701</b>	<b>1,625</b>	<b>3,113</b>	<b>3,024</b>	<b>2,931</b>	<b>2,836</b>



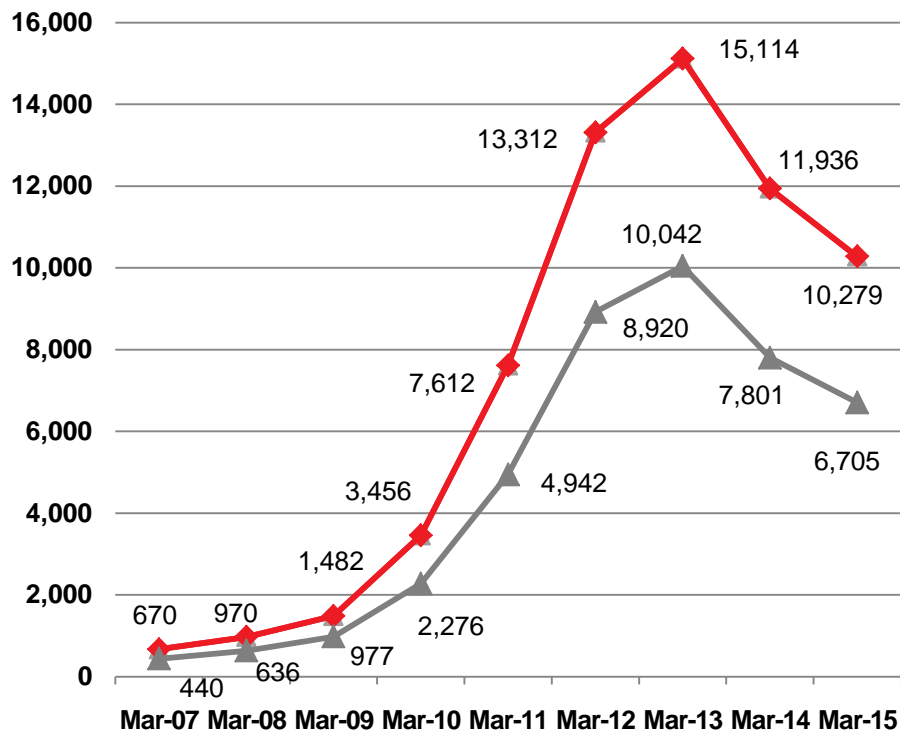
## Efforts getting rewarded

### Profitability at a glance

(₹ in million)

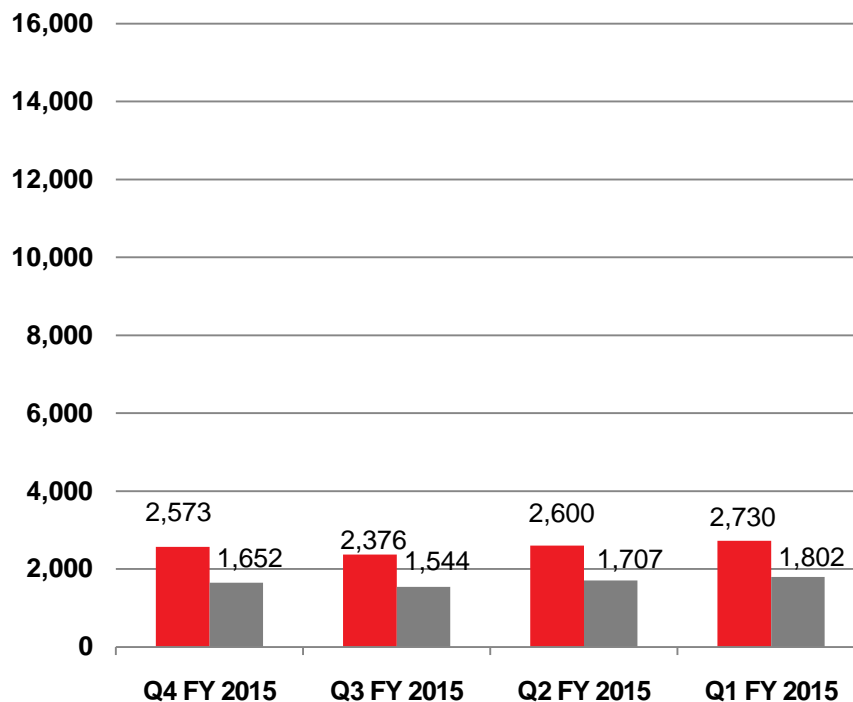
#### Yearly

◆ PBT ▲ PAT



#### Quarterly

■ PBT ■ PAT

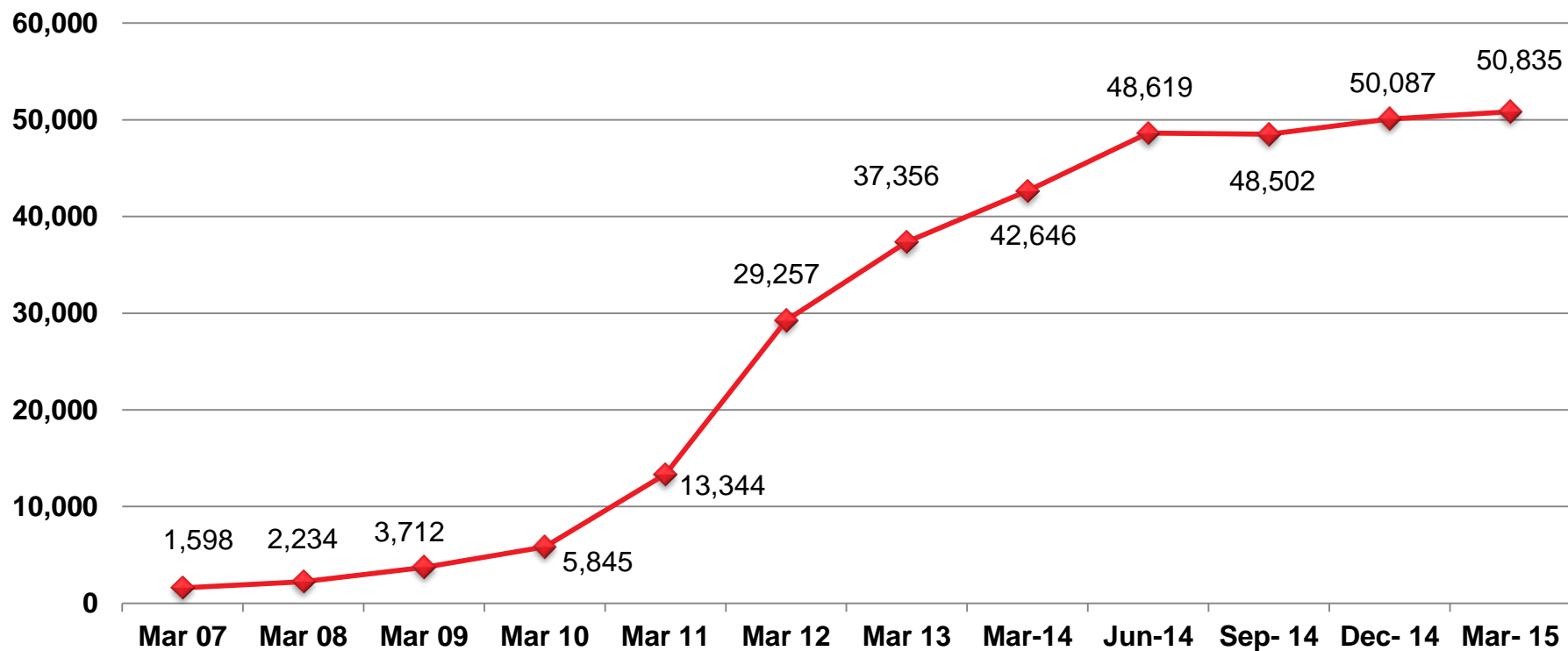




## Steady capital position

### Share Capital and Reserves & Surplus

(₹ in million)





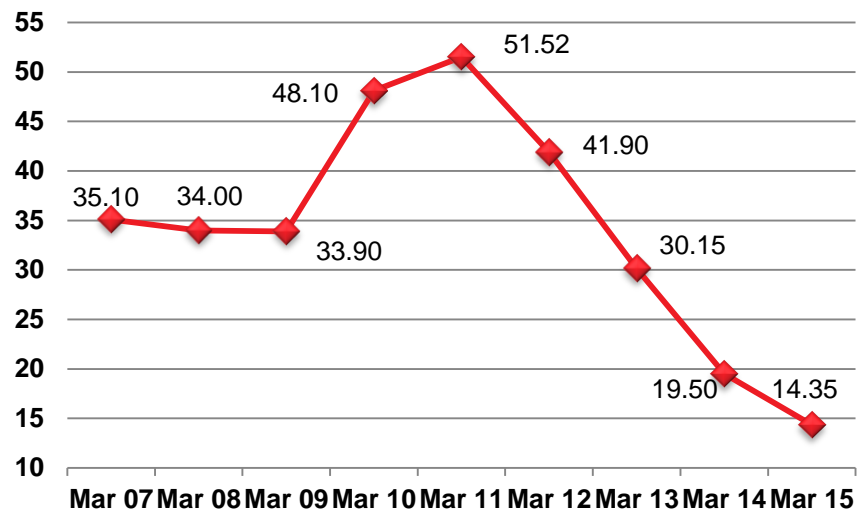


## Stable shareholder value creation

### Return on Average Equity

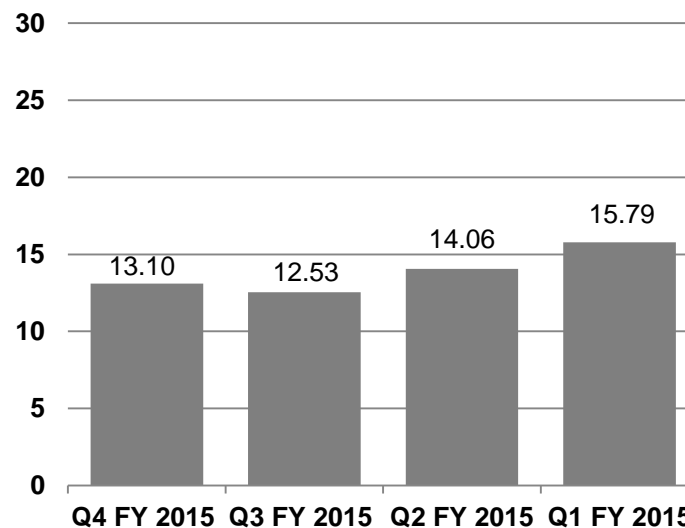
Yearly

(%)



Quarterly

(%)





## Maintaining capital well above the statutory requirement

Capital Adequacy Ratio (%)

	<b>Mar-15</b>	<b>Dec-14</b>	<b>Sept-14</b>	<b>Jun-14</b>	<b>Mar-14</b>
Capital Adequacy Ratio	24.78	26.26	26.30	26.79	24.69
Tier-I	19.96	20.74	20.32	20.45	18.01
Tier-II	4.82	5.52	5.98	6.34	6.68



# MARKET VALUE RATIO

## Equity market valuation ratios indicate potential for upside

	Q4 FY 2015	Q3 FY 2015	Q2 FY 2015	Q1 FY 2015	FY 2015	FY 2014
Earnings per share (₹)						
- Basic	4.16	3.88	4.30	4.63	16.97	20.99
- Diluted	4.10	3.85	4.25	4.60	16.80	20.99

	Mar-15	Dec-14	Sept-14	Jun-14	Mar-14
Book Value per share (₹)	127.59	126.00	122.00	122.29	114.73
Market price per share (₹)*	207.05	192.35	204.40	188.30	172.00
Price to Earnings ratio**	12.20	10.88	10.76	9.24	8.19
Price to Book Value ratio	1.62	1.53	1.68	1.54	1.50

\*Source: [www.nseindia.com](http://www.nseindia.com)

\*\*Based on trailing 12 months EPS

# CAPITALISATION RATIOS



Muthoot Finance

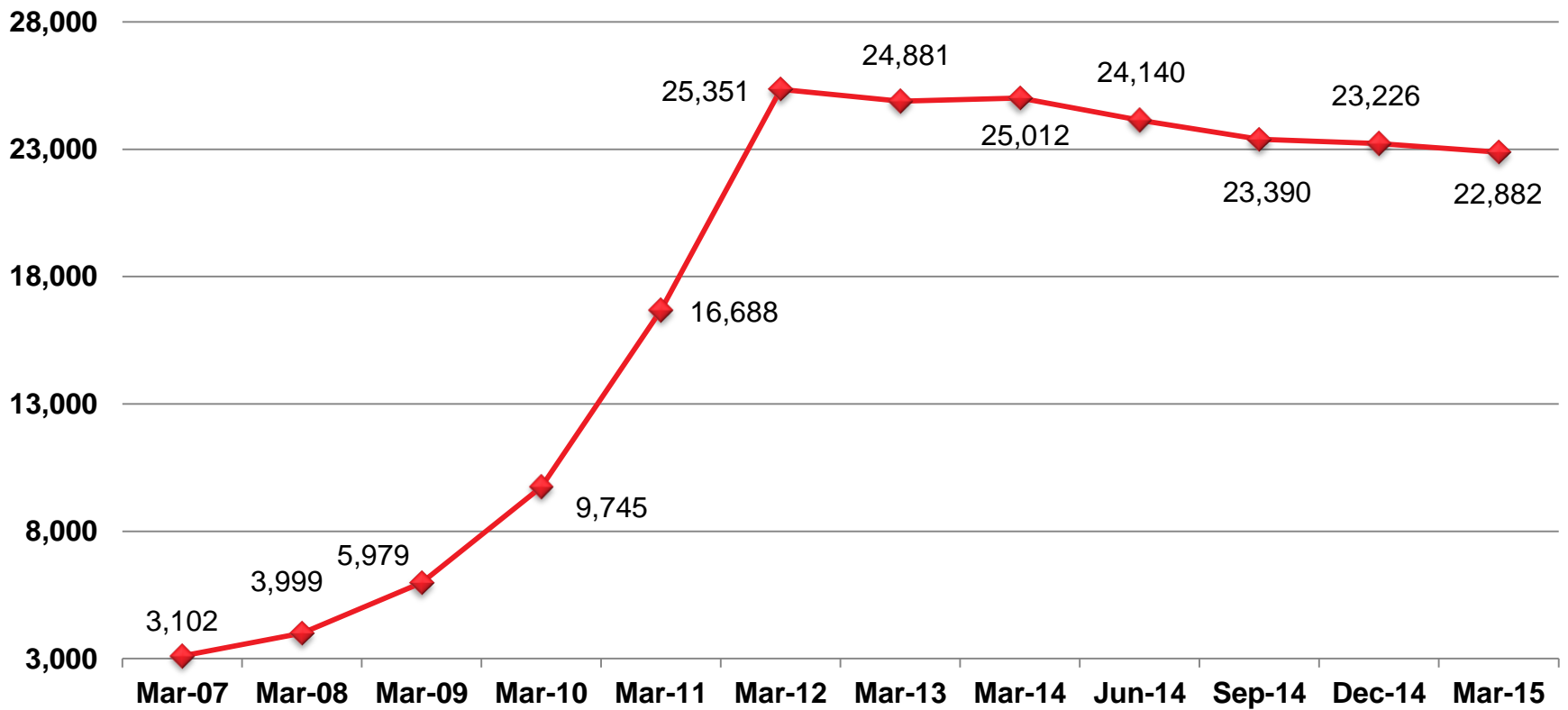
## Headroom for further leveraging

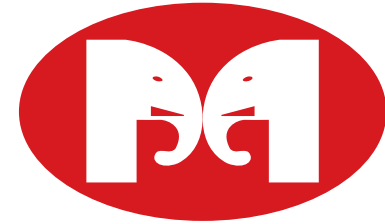
(₹ In million)

	<b>Mar-15</b>	<b>Dec-14</b>	<b>Sep-14</b>	<b>Jun-14</b>	<b>Mar-14</b>
Outside Liabilities	216,857	213,848	215,741	206,005	213,293
Cash & Bank Balances	17,366	26,572	28,849	18,289	20,489
Tangible Networth	50,775	50,029	48,442	48,556	42,579
Capital Gearing	3.93	3.74	3.86	3.87	4.53

## Groomed human capital over the years to meet growing business requirements

(No. of Employees)





# ***Muthoot Finance***

## **REGISTERED OFFICE**

2<sup>nd</sup> Floor, Muthoot Chambers  
Opposite Saritha Theatre Complex  
Banerji Road, Kochi  
Kerala – 682 018. India

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**CIN:** L65910KL1997PLC011300

**RBI Reg No:** N.16.00167

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## **EMAIL**

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[www.muthootfinance.com](http://www.muthootfinance.com)